

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING**

August 20, 2007
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Councilmember Peggy Bilsten, Phoenix, Chair
Mayor Keno Hawker, Mesa, Vice Chair
Councilmember Ron Aames, Peoria
Kent Andrews, Salt River Pima-Maricopa
Indian Community
F. Rockne Arnett, Citizens Transportation
Oversight Committee
* Vice Mayor Gail Barney, Queen Creek
Stephen Beard, SR Beard & Associates
* Mayor Steven Berman, Gilbert
Dave Berry, Swift Transportation
Jed S. Billings, FNF Construction
Mayor Bobby Bryant, Buckeye

Mayor James Cavanaugh, Goodyear
* Mayor Boyd Dunn, Chandler
Mayor Hugh Hallman, Tempe
* Eneas Kane, DMB Associates
Mark Killian, The Killian Companies/
Sunny Mesa, Inc.
* Joe Lane, State Transportation Board
Mayor Marie Lopez Rogers, Avondale
Mayor Mary Manross, Scottsdale
David Scholl, Westcor
Mayor Elaine Scruggs, Glendale
Supervisor Max W. Wilson, Maricopa County

* Not present
Participated by telephone conference call
+ Participated by videoconference call

1. **Call to Order**

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Peggy Bilsten at 4:05 p.m.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited. She said how glad she was to be back in this great country, where issues can be discussed with civility and without the threat of violence.

Chair Bilsten announced that Mayor Hallman, Mr. Arnett, and Mr. Killian were participating by telephone.

Chair Bilsten requested that members of the public turn in their public comment cards to staff. Transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

3. Call to the Audience

Chair Bilsten stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard.

Chair Bilsten recognized public comment from Joseph Ryan, Sun City West, who spoke about transportation planning. He suggested that sufficient revenue to build freeways properly is needed. Mr. Ryan stated that to add capacity to undersized ramps, they repaint the ramp from one lane to two lanes. He commented that this is not good planning. Mr. Ryan encouraged having a policy so engineers cannot underbuild freeways. Chair Bilsten thanked Mr. Ryan for his comments.

4. Approval of Consent Agenda

Chair Bilsten stated that public comment is provided for consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. Chair Bilsten recognized public comment from Joseph Ryan, and noted that Mr. Ryan had spent his career in the field of transportation. She expressed her appreciation to Mr. Ryan for traveling from Sun City West to the meeting. Mr. Ryan commented on the recent newspaper article that says some road building projects could be delayed. He spoke about Loop 303. Mr. Ryan commented that planning was moved from Maricopa County to ADOT. He said that ADOT's plan for the Grand Avenue intersection is not a good solution and will cause air pollution. Chair Bilsten thanked Mr. Ryan for his comments.

Chair Bilsten asked members if they had questions or would like to hear any of the consent agenda items individually. No requests were noted. Mr. Beard moved to recommend approval of the consent agenda items #4A, #4B, and #4C. Mayor Hawker seconded, and the motion carried unanimously.

4A. Approval of July 18, 2007 Meeting Minutes

The Transportation Policy Committee, by consent, approved the July 18, 2007 meeting minutes.

4B. Requested Material Change to Purchase the Mesa Transit Operations and Maintenance Facility and Amend the MAG Regional Transportation Plan and FY 2008 to 2012 Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of the purchase of the Mesa Transit Operations and Maintenance Facility and to amend the MAG Regional Transportation Plan and FY 2008 to 2012 Transportation Improvement Program to include the project. According to A.R.S. 28-6353, MAG has the responsibility to approve material changes for projects funded from the Proposition 400 sales tax. The Regional Public Transportation Authority has requested approval of a material cost change for the purchase of the City of Mesa Transit Operations and Maintenance Facility. The RPTA Board of Directors approved the purchase of the facility for \$9,269,199, which represents Mesa's local investment in the facility. RPTA evaluated a number of options including continuing to lease the facility from the City of Mesa. According to the analysis, the best fiscal option is to purchase the facility using

sales tax funds from the public transportation fund. The Management Committee recommended approval.

4C. Requested Changes to the ADOT Program

The Transportation Policy Committee, by consent, recommended concurrence with the proposed changes to the ADOT Program to advance right-of-way acquisition in the SR 801 (I-10 Reliever) corridor, and implement a design-build project on the 202L (Red Mountain Freeway). and to amend the MAG Regional Transportation Plan – FY 2007 Update and the FY 2008-2012 Transportation Improvement Program, as appropriate, contingent on an air quality conformity analysis. The Arizona Department of Transportation (ADOT) has requested MAG concurrence with two proposed changes to FY 2008 of the ADOT Program. These changes would also require amendment of the MAG FY 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP), as appropriate. The changes involve advance right-of-way acquisition in the SR 801 (I-10 Reliever) corridor, and implementation of a design-build project on the 202L (Red Mountain Freeway). The SR 801 (I-10 Reliever) request is to increase funding from \$3,000,000 to \$15,000,000 for right-of-way protection in FY 2008, for future freeway construction in the corridor. The 202L (Red Mountain Freeway) request would implement a \$184,060,000 design-build project to be initiated in fiscal year 2008. Funding would be provided from six previously programmed projects for the Red Mountain Freeway, which had been scheduled for fiscal years 2008-2011. MAG has reviewed the proposed program changes and has determined that they are reasonable, will benefit the overall implementation of the RTP Freeway Program, and can be accomplished within available ADOT cash flows. The Management Committee recommended approval.

5. Statewide Transportation Acceleration Needs (STAN) II Account

Chair Bilsten thanked members for attending the meeting, because August is usually vacation month and meeting was not supposed to be held. She commented that she did not appreciate that the TPC was being forced to hold this meeting and she was told if the TPC did not meet, important issues would proceed to the MAG Regional Council without discussion by the TPC. Chair Bilsten stated that the process used on Proposition 400 needs to be respected. She commented that if there is not unanimous agreement, the opportunity needs to be provided to find a compromise. Chair Bilsten stated that she hoped that in the future, if the TPC feels it needs another month to study an issue or to form a subcommittee, it would be allowed to do that.

Chair Bilsten recognized public comment from Representative John Nelson, whom she introduced as a good friend and one who fights for cities. She added that it had been her pleasure to serve on the Phoenix City Council with him. Representative Nelson stated that he understood that last year, STAN funds were not divided in accordance with the Casa Grande Resolves. He stated that it was his understanding that there was money in STAN I for the interest costs incurred by the West Valley cities that were bringing forth improvements to I-10, and when the project was not funded by STAN, the cities were told they would have to go back to the Legislature. Representative Nelson said that he ran the bill that would fund the interest costs for two cities or counties that came together on a project. Representative Nelson stated that he checked with staff and in the budget were \$10 million for the West Valley and \$10 million for the East Valley. He added that he was unsure of MAG's role with the allocation of the \$10 million for the East Valley. Representative Nelson stated that staff came to him

for additional language to ensure it would not be too burdensome. He said that he ensured there would be \$10 million for the West Valley and \$10 million for the East Valley so there would be no fight like in the 1985 plan when the West Valley lost 84 miles of freeway and saw all the miles being built in the East Valley. Representative Nelson stated that when putting together Proposition 400, they ensured there were firewalls in place so this would not happen again. He indicated that he had heard comments on old and new money, but he had a problem with defining that. Representative Nelson requested that the TPC support the \$10 million as it came out of the Legislature because there is another \$10 million for the East Valley. Chair Bilsten thanked Representative Nelson for attending the meeting and providing his comments.

Mayor Hawker commented that he understood that the two funds are different types and asked for clarification that the East Valley fund needs to be repaid. Representative Nelson replied that he could not speak to that since he was not involved in the \$10 million for the East Valley. Eric Anderson, MAG Transportation Director, responded to Mayor Hawker's question by saying that Mayor Hawker was correct, the \$10 million Roads of Regional Significance fund is a revolving loan.

Mayor Hawker asked if any consideration had been given to those communities that have already advanced money to accelerate freeways in the past. He commented that it did not seem to be equitable. Mayor Hawker added that it seems new projects should follow the same process as other cities have done, and be required to contribute some funding. Representative Nelson said that they had discussed that, but the issue was how far back would reimbursements go? If they went back too far, the funds would be depleted quickly. Representative Nelson stated that additionally, they were trying to deal with today's problems.

Chair Bilsten recognized public comment from Woody Thomas, who said he was Litchfield Park Mayor at the landmark meeting when they agreed to agree. He said that he thought the cities should be credited with making the Legislature aware of a serious transportation problem. Mr. Thomas stated that the state and the region are far behind in transportation funding, which he felt was not for a lack of money, but of political will to capture that money. He stated that the issue for him is the safety of I-10. Mr. Thomas stated that this segment is the most dangerous in the United States, which prompted the cities to move forward. They made the Legislature aware. Mr. Thomas stated that he would like to think there was Congressional interest, but he has not seen much of that. He stated that the adopted MAG acceleration policy deals with the regional freeway system within the boundaries of Maricopa County, not the interstates, and I-10 is a transcontinental interstate. He commented that I-10 is dangerous because the focus has been on the East Valley and the West Valley fell behind. Mr. Thomas spoke about his personal experiences driving this segment each day while he commutes to his job in Central Phoenix. He noted that the traffic opens up when the freeway becomes three lanes. Chair Bilsten thanked Mr. Thomas for his comments.

Chair Bilsten recognized public comment from Joseph Ryan, who said he drives on I-10 and experiences traffic jams. He stated that when drivers see a traffic jam, they zoom across lanes to exit the freeway so they can use an alternate route. Mr. Ryan stated that he was a planner for Ethiopian Air and spoke about their innovations to be more economical. He commented that borrowing money for a project only raises the cost. Mr. Ryan spoke about ADOT policy for the purchase of right-of-way, which says they cannot buy land until the project is within two years of construction and they cannot pay market value at the time of the purchase, but what it will be after building the freeway. Mr. Ryan stated that the one-

half cent sales tax is insufficient to keep up with demand and the citizens need to be informed of that. He stated that all of the commerce from California is coming through on I-10. Costs are rising and the region is going to be less competitive. Chair Bilsten thanked Mr. Ryan for his comments.

Mr. Anderson provided a presentation to the Transportation Policy Committee on the STAN II funds. He reported that House Bill 2793 transferred \$62 million from the State Highway Fund to the State Transportation Acceleration Needs (STAN) account. Mr. Anderson noted that this is not new money, and are funds that were programmed in the ADOT five year plan. The legislation also established a subaccount for the reimbursement of interest expenses incurred by or on behalf of a local jurisdiction for the acceleration of transportation projects. Mr. Anderson stated that for this subaccount \$10 million was allocated from the \$62 million STAN appropriation. Mr. Anderson noted that HB 2793 also established a \$10 million roads of regional significance (RRS) congestion mitigation subaccount for transportation projects in high growth areas. He added that the RRS fund would need to be repaid by 2012.

Mr. Anderson advised that state law requires that the regional planning agency establish a process for the review and approval of reimbursement of interest costs from the STAN account. As part of the process MAG would recommend to the State Transportation Board projects to utilize the STAN funds. MAG would also need to provide a report to the House and Senate by December 15, 2007.

Mr. Anderson explained that the \$10 million for the roads of regional significance congestion mitigation subaccount is deducted from the \$62 million STAN fund, leaving \$52 million. He noted that MAG's allocation of the STAN fund is 60 percent of the \$52 million, which is approximately \$31.2 million.

Mr. Anderson then addressed the interest reimbursement subaccount. He said that \$10 million was appropriated statewide. The law says that interest costs incurred for the acceleration of transportation projects, which must be on a state highway system, may be reimbursed. Mr. Anderson stated that interest costs must result from bonds, loans, or advances; the agreement to accelerate must include at least two local jurisdictions, ADOT, and the regional planning agency; the agreement must be entered into after January 1, 2007; and the project must be in the region's Regional Transportation Plan. Mr. Anderson stated that a process must be established and a recommendation made to the State Transportation Board. He noted that funds received from the subaccount would count toward a region's share of STAN, which in MAG's case, is \$31.2 million.

Mr. Anderson stated that the acceleration of the widening of I-10 from Loop 101 to just east of Sarival Road was approved by the Regional Council in 2006. He then reviewed the interest costs, of which approximately \$14.5 million is the program share and approximately \$9.7 million is the local share to be paid by Avondale, Goodyear, and Litchfield Park.

Mr. Anderson reviewed options and stated that MAG could approve full interest reimbursement, no interest reimbursement per MAG policy, or partial reimbursement. He explained three possible scenarios:

Scenario #1. The original acceleration interest cost total of \$24.172 million with 60 percent (\$14.503 million) paid back by the program and 40 percent paid by the local agencies, with no reimbursement by STAN funds.

Scenario #2. The construction interest cost with the \$10 million STAN fund applied to the total with \$6 million applied to the program share and \$4 million applied to the local share. He said that the program would pay \$8.5 million and the local jurisdictions would pay \$5.7 million.

Scenario #3. The construction interest MAG's sixty percent of the STAN fund could be applied to the \$10 million available, meaning \$6 million would be available to reimburse the local communities. Under this scenario, the local share would total \$3.669 million. There is no program benefit from the option, and the remaining \$4 million would be left in the STAN subaccount for other regions in the state to use.

Mr. Anderson reported on questions that have been raised. He said that some have asked why the rush? Mr. Anderson said that ADOT has designed the project and is waiting for resolution before advertising the project. Mr. Anderson explained that ADOT must sign a project agreement with Federal Highway Administration, which includes how the interest is going to be paid. He noted that there are major safety issues and congestion on I-10. With only two lanes and significant truck travel, the segment experienced about 30 crashes and 15 injuries per month in 2005.

Mr. Anderson stated that one question raised asked the legislative intent. He reported that the intent was to allow interest costs related to accelerating a project to be paid from STAN funds.

Mr. Anderson stated that another question asked if reimbursement of interest conformed to the MAG Highway Acceleration Policy. Mr. Anderson noted that MAG's acceleration policy was adopted in 2000 before STAN was established and interest reimbursement subaccount was established. He said that the MAG policy provides that the local jurisdictions pay for a portion of the interest expense. Mr. Anderson stated that next month, the Management Committee and TPC will discuss the acceleration policy.

Mr. Anderson stated that another question asked the impact on the program. He noted that this has no impact on the program, because MAG has programmed \$22.9 million and the STAN II allocation is \$31.2 million. Mr. Anderson added that the \$10 million is a small portion of the overall MAG program.

Mr. Anderson stated that another question asked what projects could be accelerated with the STAN funds. He explained that \$22.9 million of the \$31.2 million is already programmed by ADOT for FY 2008 and the Grant Anticipation Note funding already used for the I-10 acceleration leaves limited capacity to advance any significant project. Chair Bilsten thanked Mr. Anderson for his presentation.

Mr. Beard asked why ADOT would delay a significant project like the I-10 widening because of such a small amount of money. He added that it seemed the TPC was being pushed to make a quick decision on the reimbursement. Mr. Anderson stated that MAG usually takes a couple of weeks or a month on policy discussion to ensure everyone is comfortable. He stated that the project is ready to be advertised, but ADOT has to sign a project agreement before it moves forward. Mr. Anderson stated that this project would use Grant Anticipation Notes, which is a debt instrument that requires pledging federal funds. He said that Federal Highway Administration (FHWA) has to sign off on a project before it goes to bid. Even though it is a small number in comparison to the overall project, all sources of financing and a repayment schedule have to be in place before FHWA will move forward.

Mr. Beard asked if ADOT could proceed with the construction and discuss reimbursement later. Mr. Anderson replied that the cities have indicated they have not signed the construction portion of the agreement with ADOT and are not legally obligated on this project.

Mayor Cavanaugh noted that once it was determined that \$10 million was available, one of the first things he did was to find out if the project could move forward and the cities could be reimbursed later. He found out that the bond purchasers have to know who is paying for the bonds and the amount.

Mayor Scruggs asked if the recommendation by MAG could be changed by the State Transportation Board and also if it would not be final until the Board took action. Mr. Smith responded that state statute says the Regional Council approves a project, then forwards it to the State Transportation Board to take final action. He noted that the Board could not change the project in the TIP, because MAG controls the TIP and the Plan. Mayor Scruggs asked if the Board could make a different recommendation on funding, such as more funding, less funding, or no funding. Mr. Smith replied that this sort of financing discussion with ADOT has never arisen before.

Mayor Scruggs commented that ADOT would be unable to proceed until it is known who will pay costs. If the Board has the final say, the bonds could not be sold until it acts. Mr. Anderson stated that staff understands if the Regional Council approves a concept, it would be forwarded to ADOT and would be on the September Board agenda. He added that ADOT will not solicit bids until the Board takes action. Mayor Scruggs asked what happens to the funds not used for this project. Mr. Anderson replied that he understood that the funds would remain in the subaccount, or until the Legislature could re-appropriate their use.

Supervisor Wilson asked about the state's role in paying the bond amount. Mr. Anderson replied that under the MAG acceleration policy, the total interest is split between the state, who pays 60 percent, and the local sponsoring jurisdictions, who pay 40 percent. Supervisor Wilson asked about the bond rate currently being at five percent. Mr. Anderson replied that he just checked with ADOT, and they have indicated they still feel comfortable with maintaining that level for planning purposes. He said that the Federal Reserve lowered the discount rate last week and if the bonds are issued, say in October, the rate could be less than five percent.

Mayor Hawker asked a question on design and construction. He said that when a city agrees to accelerate a project, and there is no contract, how does MAG put the project in the TIP and conduct air quality conformity, both of which are overseen by federal agencies. Mr. Smith explained the process to put a project in the TIP. He stated that there must be a financial commitment, so when air quality analysis is run, and you are counting on air quality benefits, they know there is financial backing. Mayor Hawker asked if MAG assumes financial backing in place when it puts a project in the TIP. Mr. Smith replied that was correct.

Mr. Scholl stated that the TPC could pass this agenda item through and discuss the policy for future opportunities under the next agenda item. The TPC could take as much time as possible in that discussion, and would still reward those stakeholders who did the heavy lifting. Mr. Smith noted that it was anticipated that the Management Committee and TPC would discuss the policy at their September meetings. Mr. Scholl commented that the TPC has consistently developed good recommendations and policy. He said that due these reasons and because of the clarity received from the Legislature, he would

tend to fall more on the side of completing a work product and less on process. That way, the important work will be rewarded and the policy could be addressed at the next meeting.

Mayor Bryant emphasized the importance of safety on I-10 not only for the three communities, but for the state. He commented that Representative Nelson and the Legislature see the importance of getting this project done. Mayor Bryant added that his acceleration will help because there are a lot of accidents on this segment.

Chair Bilsten noted her agreement with Mayor Bryant's comments about safety issues. She added that there are safety issues on all freeways. Chair Bilsten noted that she had seen a letter from one of Arizona's Congressional leaders. She requested that Mr. Smith ask him if he would like to earmark federal funding for this project. Mr. Smith noted that the TPC would be discussing the assignment of funding by congressional action under another agenda item. Chair Bilsten stated that this was the first time she had seen a letter from Congressman Pastor, who has been a champion to the region.

Mayor Hallman stated that the presentation given by Mr. Anderson said that \$62 million was available in STAN II, out of which MAG receives its 60 percent share, but that percentage was calculated after the \$10 million was taken out for the Roads of Regional Significance (RRS) subaccount. Mr. Anderson stated that was correct, the MAG share was calculated on \$52 million, which yields a share of \$31.2 million. Mayor Hallman stated that Representative Nelson commented on two subaccounts of \$10 million each being allocated to MAG cities. Yet, if that were the case, that money would have been allocated from MAG's 60 percent. Mr. Anderson replied that was partially correct. He explained that this is one of the differences between stated legislative intent and what is in the statute itself. Mr. Anderson stated that the \$10 million RRS subaccount differs from the \$10 million for interest reimbursement in two respects. He explained that the RRS subaccount is a revolving loan fund with a maximum term of five years with no interest. Mr. Anderson added that he was unsure of the status of the \$10 million at the end of the term. Mayor Hallman commented that once repaid, the \$10 million might be absorbed by the state.

Mr. Anderson stated that secondly, there is a notwithstanding clause which carves it out of the STAN allocation percentages. Mayor Hallman stated that there is some notion by legislators that the \$10 million for interest reimbursement was added to the funds that would have been allocated to the region under the usual allocation formula. The other view is that the \$10 million was not added but carved out. He asked which was the case—would the MAG region have received \$62 million or \$52 million? Mr. Anderson replied that he was unsure of the answer as he had not been involved in legislative deliberations. Mayor Hallman stated they could discuss the importance of policy and whether this sets a precedent, but he was concerned about efforts to lobby for earmarking funds that would have come to the entire region, which would undermine regional efforts. However, if there was a pot of money for STAN II and additional funds were added, that is different. Mayor Hallman expressed that what concerned him was taking regional funds available to all and earmarking them. This could end up in battles at the Legislature with everyone trying to get what would be MAG money allocated to their projects.

Mayor Hawker moved that the Transportation Policy Committee recommend approval of the I-10 widening project for reimbursement of interest expenses according to the shared interest reimbursement, with the option of the program receiving 60 percent reimbursement and the cities 40 percent

reimbursement as shown in the presentation, and recommend that the MAG Regional Council approve this option and forward it to the State Transportation Board for consideration. Mayor Hallman seconded.

Mayor Hawker stated that he thought jurisdictions who want to accelerate projects need to have skin in the game. He noted that his motion was a good compromise because the local share was a reduced percentage. Mayor Hawker stated that this option would reduce the local share to be repaid to \$5.7 million from \$9.7 million. He commented that this project warranted it. Mayor Hawker expressed his appreciation for the legislative intent, but thought this compromise would minimize the desire of cities to run to the Legislature and re-appropriate money. He said that he thought when this was originally proposed by the West Valley cities, there was intent by the cities to commit for the design and construction. MAG put the project acceleration in the TIP and did the air quality modeling. Mayor Hawker stated that he suggested this motion because of these facts.

Mayor Lopez Rogers stated that just \$10 million is at issue. She stated that this is a very different type of acceleration project. Mayor Lopez Rogers commented that the three cities do have skin in the game; even with the \$10 million reimbursement, they will not be made whole because they have already paid \$500,000. She noted that they will also be responsible if the Regional Transportation Plan money does not become available in 2014. Mayor Lopez Rogers stated that she thought the Legislature was trying to help small cities by the action it took. She commented that if the cost of the acceleration interest is shifted to their citizens, the per capita cost will be significantly higher than acceleration costs paid in the past by big cities. Mayor Lopez Rogers noted that when Mesa accelerated the Red Mountain Freeway from Gilbert to Higley, its population was 400,000 and the interest cost was based on \$80 million. She stated that the I-10 widening acceleration interest will be based \$130 million and the three cities total barely 100,000 people. Mayor Lopez Rogers stated that the legislative intent was to pay for the project acceleration interest costs. She said that the \$10 million would be beneficial to the entire region. Mayor Lopez Rogers added that the three cities are working with the federal government to ensure they come up with their share of funds. She stated that at the four city historical meeting, the legislators in attendance indicated that interest should be a part of STAN and assured them they would take care of it. When it was not, they were as surprised as the cities. Mayor Lopez Rogers stated that she was a regional player. They could have fought this legally, but did not because other projects would be delayed. Mayor Lopez Rogers stated that this acceleration will be beneficial to the region and to the entire state. Only \$10 million out of billions of dollars seems so small. Mayor Lopez Rogers implored the TPC to allocate the full \$10 million toward reimbursement of the interest for widening I-10. She said a compromise is not what the Legislature intended, and is a penalty to small cities.

Mayor Bryant requested that Mayor Hawker, as maker of the motion, amend the motion to include the full \$10 million. Mayor Hawker declined.

Mayor Scruggs stated that this is a difficult issue for her because she is a process person. She said that she has had conversations with Mayor Lopez Rogers on this issue. Mayor Scruggs advised that she has gone back and forth, but some things will lead her to vote no on the motion. Mayor Scruggs stated that at the time the offer came forward from the cities, there was tremendous pressure to solve a problem, not only in the region, but in the state and in the nation. She noted that numerous newspaper articles were written and many citizens showed up at council meetings. Mayor Scruggs commented that perhaps the cities jumped the gun in accelerating the project, but they truly believed that help was forthcoming.

She remarked that the three cities should never have been put in this position. Mayor Scruggs stated that this issue does not fit any model and she would oppose the motion. Mayor Scruggs expressed her worry about what would happen from here onward. She commented that she did not want everyone to run out and try to get an earmark. Those who do would be turning a bad situation to their own personal interest. Mayor Scruggs stated that this is not about a new problem, but one that should have been fixed a long time ago, and has fallen on the shoulders of three communities who should not have to handle it. She remarked that this was unfair, and was similar to using the small 26 percent received by the West Valley toward an interstate and the reliever. Mayor Scruggs stated that the Mayor Hawker's logic and technical aspects were correct, but she would be voting against his motion because the situation was unfair.

Councilmember Aames asked for clarification of the split between state and local. Mr. Anderson noted that the requested motion on the agenda should reflect the Management Committee motion, which said the full amount up to \$10 million would be applied to the local share for interest reimbursement, rather than the total interest.

Mayor Lopez Roger said that she wanted to reassure the TPC that Avondale went back to the Legislature because it was directed to do so. She commented that this was a one-time deal and there is no intent by the City of Avondale to go back to the Legislature for additional projects. Mayor Lopez Rogers stated that the City of Avondale understands regional cooperation and planning and this is a one-time fix.

Councilmember Aames stated that whether this was an earmark is unknown because Mayor Hallman's question was not answered. Mr. Anderson commented that it is difficult to say if it was or was not earmarking because the project was not named specifically. He added that the legislation takes a portion of money and says it will be spent in a certain way.

A roll call vote on the motion failed by a vote of six yes, ten no, and one pass, with Chair Bilsten, Mayor Hawker, Mr. Arnett, Mr. Beard, Mr. Killian, and Mayor Manross voting yes, Councilmember Aames, Mr. Andrews, Mr. Berry, Mr. Billings, Mayor Bryant, Mayor Cavanaugh, Mayor Lopez Rogers, Mr. Scholl, Mayor Scruggs, and Supervisor Wilson voting no, and Mayor Hallman passing.

Mayor Lopez Rogers moved to recommend authorizing the MAG Executive Director to enter into an agreement with ADOT and the participating cities of the full \$10 million for the local interest cost for the acceleration of the I-10 widening based on the reimbursement eligibility required, as stated in House Bill 2793. Mayor Bryant seconded.

Mayor Hawker noted that the motion included the full \$10 million. He asked if this meant that they would still receive the full \$10 million even if they did not need to use it. Mr. Anderson noted that the requested action in the agenda said reimbursement of actual interest expense up to \$10 million.

Mayor Lopez Rogers, as maker of the motion, agreed to modify the motion to recommend authorizing the MAG Executive Director to enter into an agreement with ADOT and the participating cities of the reimbursement of interest expense up to \$10 million, for the local interest cost for the acceleration of the I-10 widening based on the reimbursement eligibility required, as stated in House Bill 2793. Mayor Bryant, as second, agreed.

Mr. Killian asked if the motion would eliminate funding for the Mesa project request. Mayor Hawker stated that other projects were pulled off the table so as not to complicate the issue, and they are not being considered. Mayor Hawker noted that in addition to the Mesa project, there was also an effort to look at Loop 101 in Scottsdale with the Indian Community to accelerate the HOV lane.

Mr. Killian stated that he was a legislator when the 1985 tax was being drafted. He reported that they were told that one-half cent would be more than enough to build all of the freeways, which was later found to be incorrect. Mr. Killian expressed concern that the needs of Williams Gateway were not being considered. He commented that since the West Valley still has Luke Air Force Base and its benefits and the East Valley is faced with the issue of filling a couple of million dollar void. Mr. Killian stated that he was happy to widen I-10 as quickly as possible, but there needs to be a recognition that there is not enough money for all projects. More money needs to be found and more road building begun.

Mayor Hallman expressed appreciation for the West Valley comments, especially Mayor Scruggs', about how the three cities came to be in this position. He said that as a relatively smaller city, Tempe usually loses the vote on regional matters. Mayor Hallman stated that if additional funds had been put together to address the reimbursement issue, it would be MAG's obligation to uphold legislative intent. But if the funds had been taken from the funds already determined for this region, then it is taking money from other projects. Mayor Hallman stated that it needs to be recognized that this process is about allocating scarce resources, which are not being allocated through the regional process. He expressed concern that this is setting a precedent and added that people going forward recognize that in this instance a project was accelerated that might not have been accelerated. Mayor Hallman expressed concern that under the MAG acceleration policy, local agencies paid 40 percent of interest costs. In this instance, the local agencies are being rewarded an additional amount to cover the interest, so it appears that the local match will be less than the usual 40 percent. Mayor Hallman expressed concern that in the future the process will be undermined by this vote. He hoped there was clear recognition that this is a special circumstance and that in the future, no one should try to get to the head of the line and seek a reimbursement for a project that did not go through the MAG process.

Mayor Scruggs expressed her appreciation for Mayor Hallman's comments. She stated that legislative intent was to fix a problem and make cities whole. Mayor Scruggs stated that the \$10 million was in the mind of the legislator who sponsored the legislation and. She added that the \$10 million RRS subaccount was established to appease the East Valley legislators. Mayor Scruggs referenced Mayor Hallman's question and stated that she understood the \$10 million was the foundation on which the total amount was built, because that was their original intent to take care of interest expense. They started with \$10 million and added the rest to it.

Mayor Manross stated that MAG needs to be careful about creating policies and priorities. She noted that MAG is the federally mandated Metropolitan Planning Organization, and that is why the unintended consequences of going outside the MAG process could be of great magnitude. Mayor Manross stated that was why she had voted for a compromise. She commented that not any one viewpoint is wrong, it is just that MAG is outside its policy. She urged that for the future, members should at least agree to compromise.

Chair Bilsten stated that she certainly supported Mayor Lopez Rogers, who does incredible work in the West Valley, but she was concerned that this action would be Katy bar the door. She expressed concern

that once the box was opened, people will go to the Legislature to get their projects funded. Chair Bilsten commented that the Legislature works differently than cities. She expressed concern about the process—that the TPC was told it had to have a meeting or the Regional Council would vote on this item without the TPC’s recommendation. Chair Bilsten said that she agreed with Mr. Scholl that MAG has to have a policy; however, she thought there was a policy already in place and it was not being followed. Chair Bilsten remarked that at the end of the day, if MAG does not build what it promised, it loses credibility with the voters. She indicated that she would vote no on the motion for those reasons.

Mr. Killian explained how he would vote. He said that one issue that will bring angst to communities is the distribution of money to build roads. Mr. Killian stated that it is frustrating to those who have been involved in transportation for many years to look back at past mistakes. He stated that MAG needs to do everything it can to accelerate roads for all communities. Mr. Killian expressed that he was not afraid of opening the door, because if this motion passes, the East Valley will be the next to want money for accelerations because it has plenty of roads that need to be built. Mr. Killian stated that people will continue to move here. The reality is that we need to build roads, so he would be voting to support the motion.

Supervisor Wilson stated that no one does not need freeways. He remarked he was upset when Litchfield Park wanted to take this on. Supervisor Wilson advised that when he saw the accident statistics and saw this segment was the most dangerous interstate segment, he looked at it differently. He indicated that he thought it foolish the region cannot solve this traffic problem. Supervisor Wilson said that he hoped the TPC would support the motion and save a few more lives.

With no further discussion, a roll call vote was taken. The motion passed by a vote of 12 yes and four no, with Councilmember Aames, Mr. Andrews, Mr. Beard, Mr. Billings, Mayor Bryant, Mayor Cavanaugh, Mayor Hallman, Mr. Killian, Mayor Lopez Rogers, Mr. Scholl, Mayor Scruggs, and Supervisor Wilson voting yes, and Chair Bilsten, Mayor Hawker, Mr. Arnett, and Mayor Manross voting no.

Chair Bilsten recognized public comment from Mr. Ryan, who said that he is a user of all roads in the region. He said that the issue is making Arizona a great state. When executives are making a decision to locate in a region, they want to know about schools, health care, and transportation. Mr. Ryan suggested that MAG initiate a program to get people off freeways. He stated that John Shaw died unhappy because he could not get MAG to listen to his idea for commuter transit. Mr. Ryan encouraged issuing RFPs for the design of wide-bodied, alternative fuel vehicles for mass transit systems. He said some transit options could be implemented at half the cost of commuter rail and the trolley. Chair Bilsten thanked Mr. Ryan for his comments.

Chair Bilsten suggested that since the August meeting was a special meeting, the TPC could postpone discussion of agenda items #6, #7, and #8 until the next meeting. No objections were noted.

6. Reexamination of MAG Highway Acceleration Policy

This agenda item was not considered.

7. Assignment of Funding to the MAG Transportation Program by Congressional/Legislative Action

This agenda item was not considered.

8. The Interstate 10-Hassayampa Valley Transportation Framework Study

This agenda item was not considered.

There being no further business, the meeting adjourned at 5:40 p.m.

Chair

Secretary